



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

For Immediate Release:

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FDIC Chairman Donald Powell to Testify on Deposit Insurance Reform

The House Financial Services Subcommittee on Financial Institutions, chaired by Rep. Spencer Bachus (R-AL), will hold the third in a series of hearings on Federal Deposit Insurance reform Wednesday, October 17 at 10 am in 2128 Rayburn.

In two previous hearings addressing the reform of the Federal Deposit Insurance system, the Federal Reserve, OCC, OTS, Treasury Department and several industry representatives had the opportunity to share their views with the subcommittee. In May, former FDIC chairman Donna Tanoue offered her proposals for reform. In the third hearing, the subcommittee will hear testimony from the new chairman of the FDIC, Donald Powell.

"Former FDIC Chairman Donna Tanoue outlined an ambitious agenda for reform before the committee, which has prompted both support and criticism from a variety of sources," Chairman Bachus said. "Now that Chairman Powell has taken the reins at the FDIC, the subcommittee is anxious to hear his views as we undertake reform."

Under current law, banks are required to pay a 23 basis point premium on all insured deposits if the reserve ratio of premiums collected to deposits insured at the FDIC falls beneath the required level of 1.25% for longer than 12 months. The potential for this premium spike tends to be highest when the economy is slowing.

"The stability of financial markets is the number one priority for this committee," Oxley said. "In the current economic environment the more certainty we can provide the financial system, the better."

Scheduled to Testify:

First Panel

- Donald Powell, *Chairman*, Federal Deposit Insurance Corporation

Second Panel

- Mr. Nolan North, Chair, Financial Markets Task Force, Association of Financial Professionals
- Mr. Richard S. Carnell, Associate Professor of Law, Fordham University School of Law
- Kenneth H. Thomas Ph.D., Lecturer in Finance, The Wharton School, University of Pennsylvania

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